

Internal Revenue Service

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Department of the Treasury

Washington, DC 20224

Third Party Communication: None

Date of Communication: Not Applicable

Person To Contact:

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CC:CORP:B05

PLR-110045-10

Date:

May 10, 2010

LEGEND

AcquisitionCo =

Parent =

LLC =

Sub1 =

Sub2 =

StateA =

DateA =

DateB =

DateC =

DateD =

DateE =

DateF =

Parent Official =

Tax Professional =

Dear :

This letter responds to a letter dated March 4, 2010, submitted on behalf of Parent, requesting the Internal Revenue Service ("Service") to grant an extension of time under §§ 301.9100-1 through 301.9100-3 of the Procedure and Administration Regulations to file an election. The extension is being requested by Parent, as successor in interest to AcquisitionCo, for AcquisitionCo and its includible subsidiaries to make an election to file a consolidated Federal income tax return, with AcquisitionCo as the common parent, under § 1.1502-75(a)(1) of the Income Tax Regulations (hereinafter referred to as "the Election") effective for the taxable year ending DateB (Taxable Year). Additional information was submitted in correspondence dated March 16 and 22, and April 30, 2010. The material information submitted is summarized below.

Parent is a StateA corporation. Parent holds all the outstanding stock in LLC (a disregarded entity), and all the outstanding stock in Sub1 and Sub2. Parent, Sub1, and Sub2 constitute the Parent affiliated group.

On DateA, AcquisitionCo acquired all the stock in Parent from Parent's shareholders in exchange for the shareholders' receipt of cash. Thus, as a result of this acquisition ("Acquisition") on DateA, AcquisitionCo became the common parent of a new affiliated group (AcquisitionCoGroup) that included Parent, Sub1, and Sub2.

Subsequently, on DateD (which is after DateC), AcquisitionCo merged with and into Parent with AcquisitionCo going out of existence and Parent surviving.

The Election by AcquisitionCo was due on DateC. However, for various reasons, a valid Election by AcquisitionCo was not filed. Subsequently, on or about DateE, it was discovered that a valid Election had not been filed. Thereafter, this request was submitted, under § 301.9100-3, for an extension of time to file a valid Election for TaxableYear for AcquisitionCoGroup.

REPRESENTATIONS

(a) Each of AcquisitionCo, Parent and Subs1 and 2 is a domestic entity that is taxable as a corporation.

(b) Except for the failure to file a consolidated Federal income tax return, AcquisitionCo, Parent, Sub1, and Sub2 were eligible to file a consolidated Federal income tax return for Taxable Year.

(c) For Taxable Year and all subsequent years, all of the members of the AcquisitionCoGroup will be included on the affiliations schedule, Form 851, attached to the consolidated Federal income tax returns filed by AcquisitionCoGroup.

(d) As of the date the request for this ruling letter was submitted, the Service had not contacted AcquisitionCo, Parent, or any other member of AcquisitionCoGroup concerning AcquisitionCoGroup's failure to timely file a consolidated Federal income tax return for Taxable Year.

(e) The period of limitations on assessment under § 6501(a) of the Internal Revenue Code ("Code") has not expired for AcquisitionCo's, Parent's, or any other AcquisitionCoGroup member's taxable year for which the Election should have been filed or for any taxable years that would have been affected by the Election had it been timely filed.

(f) The period of limitations on assessments for any taxpayer's taxable year that would be affected by the Election will expire no earlier than DateF.

APPLICABLE LAW

Section 1.1502-75(a)(1) provides that an affiliated group of corporations which did not file a consolidated return for the immediately preceding taxable year may file a consolidated return in lieu of separate returns for the taxable year, provided that each corporation which has been a member of the group during any part of the taxable year for which the consolidated return is to be filed consents to the regulations under § 1502, in accordance with § 1.1502-75(b)(1). If a group wishes to exercise its privilege of filing a consolidated return, such consolidated return must be filed not later than the last day prescribed by law (including extensions of time) for filing the common parent's return.

Under § 301.9100-1(c), the Commissioner has discretion to grant a reasonable extension of time to make a regulatory election or a statutory election (but no more than six months except in the case of a taxpayer who is abroad), under all subtitles of the Internal Revenue Code except subtitles E, G, H, and I.

Section 301.9100-1(b) defines the term "regulatory election" as including an election whose due date is prescribed by a regulation, revenue ruling, revenue procedure, notice, or announcement. Sections 301.9100-1 through 301.9100-3 provide

the standards the Commissioner will use to determine whether to grant an extension of time to make a regulatory election.

Section 301.9100-1(a) describes the Commissioner's authority to grant an extension of time to make a regulatory election. Section 301.9100-2 provides automatic extensions of time for making certain elections. Section 301.9100-3 provides extensions of time for making regulatory elections that do not meet the requirements of § 301.9100-2. Requests for relief under § 301.9100-3 will be granted when the taxpayer provides evidence to establish that the taxpayer acted reasonably and in good faith, and that granting relief will not prejudice the interests of the Government. Section 301.9100-3(a).

In this case, the time for filing the Election is fixed by the regulations (i.e., § 1.1502-75(a)(1)). Therefore, the Commissioner has discretionary authority under § 301.9100-1 to grant an extension of time for AcquisitionCo and its subsidiaries to file the Election, provided that AcquisitionCo, Parent, and their subsidiaries acted reasonably and in good faith, that the requirements of §§ 301.9100-1 and 301.9100-3 are satisfied, and that granting relief will not prejudice the interests of the Government.

Information, affidavits, and representations submitted by Parent on behalf of AcquisitionCo, by Parent Official, and by Tax Professional explain the circumstances that resulted in the failure to timely file the Election. The information establishes that AcquisitionCo reasonably relied on a qualified tax professional who failed to make, or advise AcquisitionCo to make, the Election. In addition, the information, representations, and affidavits submitted indicate that the present request for relief was submitted to this office prior to the Service discovering that the Election had not been timely made. See §§ 301.9100-3(b)(1)(i) and (v).

CONCLUSION AND GRANT OF EXTENSION

Based solely on the information and affidavits submitted and the representations made, we conclude that it has been shown that AcquisitionCo, Parent, and their subsidiaries acted reasonably and in good faith in failing to timely file the Election, the requirements of §§ 301.9100-1 and 301.9100-3 are satisfied, and granting relief will not prejudice the interests of the Government.

Provided AcquisitionCoGroup qualifies substantively to file a consolidated return for Taxable Year, we grant an extension of time under § 301.9100-3, until sixty (60) days from the date on this letter (PLR-110045-10), for AcquisitionCoGroup to file the Election by filing a consolidated return for Taxable Year in accordance with all applicable regulations. See § 1.1502-75(a)(1).

The above extension of time is conditioned on the tax liability (if any) of AcquisitionCoGroup, and, also, the tax liability (if any) of any consolidated group of

which a member of AcquisitionCoGroup becomes a member, being not lower, in the aggregate, for all years to which the Election applies, and all subsequent years, than it would have been if the Election had been timely made (taking into account the time value of money). No opinion is expressed as to the amount of tax liability for the years involved. A determination thereof will be made by the applicable Director's office upon audit of the Federal income tax returns involved. Further, no opinion is expressed as to the Federal income tax effect, if any, if it is determined that the amount of tax liability is lower. Section 301.9100-3(c).

CAVEAT

We express no opinion as to whether, in fact, AcquisitionCo and its subsidiaries qualify substantively to file a consolidated return for Taxable Year or any other taxable year. Furthermore, except as expressly provided herein, no opinion is expressed or implied concerning the tax consequences of any aspect of any matter or item discussed or referenced in this ruling letter.

In addition, we express no opinion as to the tax effects or any other tax consequences of filing the Election late under the provisions of any other section of the Code and regulations, or as to the tax treatment of any conditions existing at the time of, or effects resulting from, filing the Election late that are not specifically set forth in the above ruling. Notwithstanding that an extension is granted under § 301.9100-3 to file the Election, penalties and interest that would otherwise be applicable, if any, continue to apply.

For purposes of granting this relief, we relied upon certain information, representations, and affidavits submitted by Parent on behalf of AcquisitionCo, Parent Official, and Tax Professional, with all submissions accompanied by a penalties of perjury statement executed by an appropriate party. This office has not verified any of the material submitted in support of the request for rulings. The Director should verify all essential facts.

PROCEDURAL STATEMENTS

This ruling letter is directed only to the taxpayer(s) who requested it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

A copy of this letter must be attached to any income tax return to which it is relevant. Alternatively, a taxpayer filing its return electronically may satisfy this requirement by attaching to the return a statement that provides the date and control number (PLR-110045-10) of this ruling letter.

Pursuant to a Power of Attorney on file in this matter, a copy of this letter is being sent to your authorized representatives.

Sincerely,

Ken Cohen

Ken Cohen
Senior Technician Reviewer, Branch 3
Office of Associate Chief Counsel (Corporate)